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105TH CONGRESS  
2D SESSION

# H. R. 4727

To amend title XVIII of the Social Security Act to delay the 15% reduction and to make revisions in the per beneficiary and per visit payment limits on payment for health services under the Medicare Program, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

OCTOBER 7, 1998

Mr. STARK (for himself, Mr. DINGELL, Mr. BROWN of Ohio, Mr. MATSUI, Mr. COYNE, Mr. LEVIN, Mr. CARDIN, Mr. McDERMOTT, and Mr. McGOVERN) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To amend title XVIII of the Social Security Act to delay the 15% reduction and to make revisions in the per beneficiary and per visit payment limits on payment for health services under the Medicare Program, and for other purposes.

1        *Be it enacted by the Senate and House of Representa-*  
2        *tives of the United States of America in Congress assembled,*

1 SECTION. 1. REVISION OF PER BENEFICIARY LIMITS AND  
 2 PER VISIT PAYMENT LIMITS FOR PAYMENT  
 3 FOR HOME HEALTH SERVICES UNDER THE  
 4 MEDICARE PROGRAM.

5 (a) REVISION OF PER BENEFICIARY LIMITS.—

6 (1) IN GENERAL.—Section 1861(v)(1)(L)(v) of  
 7 the Social Security Act (42 U.S.C.  
 8 1395x(v)(1)(L)(v)) is amended to read as follows:

9 “(v)(I) For services furnished by home health agen-  
 10 cies for cost reporting periods beginning on or after Octo-  
 11 ber 1, 1997, the Secretary shall provide for an interim  
 12 system of limits. Payment shall not exceed the costs deter-  
 13 mined under the preceding provisions of this subpara-  
 14 graph or, if lower, the product of—

15 “(aa) the applicable amount under subclause  
 16 (II) or (III); and

17 “(bb) the agency’s unduplicated census count of  
 18 patients (entitled to benefits under this title) for the  
 19 cost reporting period subject to the limitation.

20 “(II) The applicable limit for cost reporting periods  
 21 beginning in fiscal year 1998 is an agency-specific per  
 22 beneficiary annual limitation calculated based 75 percent  
 23 on 98 percent of the reasonable costs (including nonrou-  
 24 tine medical supplies) for the agency’s 12-month cost re-  
 25 porting period ending during fiscal year 1994, and based  
 26 25 percent on 98 percent of the standardized regional av-

1 erage of such costs for the agency's census division, as  
2 applied to such agency, for cost reporting periods ending  
3 during fiscal year 1994, such costs updated by the home  
4 health market basket index.

5       “(III) The applicable limit for cost reporting periods  
6 beginning on or after October 1, 1998, is an agency-spe-  
7 cific per beneficiary annual limitation calculated—

8               “(aa) based 50 percent on the per beneficiary  
9 annual limitation determined under subclause (II)  
10 for the agency;

11              “(bb) based 25 percent on the standardized na-  
12 tional mean equal to \$3,708.25 for fiscal year 1999  
13 (of which \$2,880.12 is the labor component, and  
14 \$828.13 is the non-labor component); and

15              “(cc) based 25 percent on the standardized re-  
16 gional average of the limits for the agency's census  
17 division (as specified in Tables 3B and 3D published  
18 in the Federal Register on August 11, 1998 (63 FR  
19 42926));

20 such limits updated by the home health market basket for  
21 each subsequent fiscal year (if any) through the fiscal year  
22 involved.”.

23              (2) NEW AGENCIES.—Section 1861(v)(1)(L)(vi)  
24 of the Social Security Act (42 U.S.C.  
25 1395x(v)(1)(L)(vi)) is amended—

1 (A) in subclause (I), by striking “For new”  
 2 and inserting “Subject to subclause (II), for  
 3 new”;

4 (B) by redesignating subclause (II) as sub-  
 5 clause (III); and

6 (C) by inserting after subclause (I) the fol-  
 7 lowing:

8 “(II) In the case of cost reporting periods be-  
 9 ginning on or after October 1, 1998, the limits in  
 10 subclause (I) shall be determined as if any reference  
 11 in clause (v)(II) to ‘98 percent’ were a reference to  
 12 ‘100 percent’.

13 (3) CONFORMING AMENDMENT.—Section  
 14 1861(v)(1)(L)(vii)(I) of the Social Security Act (42  
 15 U.S.C. 1395x(v)(1)(L)(vii)(I)) is amended by strik-  
 16 ing “clause (v)(I)” and inserting “clause (v)(II)”.

17 (b) REVISION OF PER VISIT LIMITS.—Section  
 18 1861(v)(1)(L)(i) of such Act (42 U.S.C.  
 19 1395x(v)(1)(L)(i)) is amended—

20 (1) in subclause (III), by striking “or”;

21 (2) in subclause (IV)—

22 (A) by inserting “and before October 1,  
 23 1998,” after “October 1, 1997,”; and

24 (B) by striking the period at the end and  
 25 inserting “, or”; and

1 (3) by adding at the end the following new sub-  
2 clause:

3 “(V) October 1, 1998, 110 percent of such me-  
4 dian.”.

5 (c) ONE-YEAR DELAY IN IMPLEMENTATION OF MAN-  
6 DATORY REDUCTION IN PAYMENT LIMITS.—Section  
7 4603(e) of the Balanced Budget Act of 1997 (42 U.S.C.  
8 1395fff note) is amended—

9 (1) by striking “described in subsection (d)”  
10 and inserting “beginning on or after October 1,  
11 2000”; and

12 (2) by striking “September 30, 1999” and in-  
13 serting “September 30, 2000”.

14 (d) EFFECTIVE DATE.—The amendments made by  
15 subsections (a) and (b) shall apply to cost reporting peri-  
16 ods beginning on or after October 1, 1998.

17 **SEC. 2. TWO OFFSETS.**

18 (a) CHANGE IN NUMBER OF INDIVIDUALS ELIGIBLE  
19 TO ENROLL UNDER MEDICARE MSA.—Section  
20 1851(b)(4)(A)(ii) of the Social Security Act (42 U.S.C.  
21 1395w-21(b)(4)(A)(ii)) is amended by striking “390,000”  
22 and inserting “100,000 (for any date before January 1,  
23 2004) or 500,000 (for any date thereafter)”.

24 (b) THREE-YEAR EXTENSION OF MEDICARE MSA  
25 TERMINATION DATE.—Section 1851(b)(4)(A)(i) of the



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- 1 Social Security Act (42 U.S.C. 1395w-21(b)(4)(A)(i)) is
- 2 amended by striking “2003” and inserting “2006”.

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